

Fiscal Services Division

Legislative Services Agency

Fiscal Note

HF 2441 - Concrete Plants Tax Exemption (LSB 5153 YH)

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Fiscal Note Version - New

Description

House File 2441 results in concrete batch plants being exempt from property tax.

Background

There are 250 concrete batch plants that are assessed in 43 counties and five cities. Of these, 154 plants are taxed as property, and 96 are not taxed as property. Mannatt's Concrete Company sued the Board of Review of Buchanan County claiming its concrete batch plant was machinery and equipment and should not be taxed as property. The Iowa District Court in and for Buchanan County ruled the Mannatt's concrete batch plant was machinery and equipment and exempt from property tax.

Assumptions

1. The 154 concrete batch plants affected by this Bill have an estimated total taxable value of \$9.1 million.
2. The consolidated tax rates for the locations of the affected concrete plants will be applied.

Fiscal Impact

House File 2241 would reduce property tax revenues for local governments by approximately \$325,000 annually.

Sources

Iowa State Association of Counties
Department of Revenue

/s/ Holly M. Lyons

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The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.
